

Herald Tribune

Published With The New York Times and The Washington Post

Algeria... 4.20
Australia... 2.2
Canada... 1.15
France... 6.80
Germany... 2.00
Italy... 1.80
Japan... 160.00
South Korea... 190.00
Switzerland... 1.50
U.S. Dollar... 1.00

NBA FINALS

LAKERS EVEN

See Sports, Page 15

No. 32,750 23/88

PARIS, SATURDAY-SUNDAY, JUNE 11-12, 1988

ESTABLISHED 1887

Toronto Summit: Economics on Tiptoes

By Peter T. Kilborn
New York Times Service

WASHINGTON — Wary of ratcheting the financial markets or upsetting the economy during the U.S. election campaign, officials of the leading industrial democracies plan to focus on several noncontroversial issues at their annual economic summit conference.

Officials said they plan to restate a six-month-old commitment to keep the dollar from falling and to let it rise if recent improvements in the world economy continue.

The nations are also expected to permit a partial return to the use of gold as an aid in making collective policies; to do more to reduce the poorest African countries of their debts; and to urge what they call structural adjustments of tax, regulatory and industrial policies to permit faster growth.

Now, by contrast, "I don't think anyone wants to breathe," said Myer Rashish, a consultant in Washington who is a U.S. State Department official organized Mr. Reagan's agenda for the first summit conference in Ottawa eight years ago. "They want as much stability, tranquility and equilibrium as possible," he said.

On Trade Precipice, a Very Steady Dollar

By Louis Uchitelle
New York Times Service

NEW YORK — For nearly six months, the dollar's value has budged against other leading currencies — making this one of the longest periods of stability for the dollar since the early 1980s and a sign, many economists say, that the dollar may last at least until the end of the summer.

stock market and the American bond markets have been among the beneficiaries.

If the U.S. trade deficit widens, the steep dollar devaluation that began in March 1985 and continued through December — reducing the dollar's value by nearly 39 percent against a basket of other major currencies — will probably resume.

The expected April level is likely to prevail for the rest of this year, according to a study published by the Brookings Institution. That study was produced by economists from Brookings, the Federal Reserve Board and First Boston Corp.

House to Open Wright Inquiry

WASHINGTON (WP) — The ethics committee of the House of Representatives announced Friday that it had voted unanimously to conduct an inquiry into allegations that the House speaker, Jim Wright, abused the powers of his office for personal gain and improperly intervened with federal regulators.

Sources Say SAS to Buy 60 New Jetliners in U.S.

By Juris Kaza
International Herald Tribune

STOCKHOLM — Scandinavian Airlines System is expected to announce Monday that it is purchasing as many as 60 MD-80 jetliners from McDonnell Douglas Corp. in an order worth some 9 billion kronor (\$1.5 billion), Swedish sources said Friday.

The plane's noise suppression features, both in the cabin and in the environment, are salient selling factors in the ecology-minded Scandinavian countries. Analysts noted that these features likely clinched the deal for McDonnell Douglas at the expense of Airbus Industrie's noisier A-320.

It would then decline to \$100 billion next year, only to widen again in 1990, according to the study.

A Shift by Ethiopia

GENEVA (Reuters) — Ethiopia has decided to allow the Red Cross to resume food distribution in the north of the country, the League of Red Cross and Red Crescent Societies said Friday. The International Committee of the Red Cross announced June 7 that it had been forced to halt its work in the area. But the league, a sister organization, said it would now oversee relief work in the area.

Colonel Moammar Gadhafi, at the summit meeting in Algiers.

Colonel Moammar Gadhafi, the Libyan leader, added to his reputation for maverick behavior at a summit meeting in Algiers of 17 Arab kings, emirs and presidents — whom he collectively invited to "go to hell."

This time, he agreed to come to discuss the Palestinian uprising in the Israeli-occupied West Bank and Gaza — a cause, he says, that is dear to his heart.

But, it seems, his distaste for his fellow leaders overwhelmed his enthusiasm for the Palestinian cause. Ever since Arab summit meetings began in 1964, Colonel Gadhafi had regularly denounced them and had written off many of those who attended as conspiratorial, hypocritical and deceitful.

General News

Twining of cities and towns is gaining ground around the world. Page 2.
President Aquino's land reform bill is rejected as a 'sham' by Philippine farmers. Page 5
Business/Finance
West Germany's trade surplus fell sharply in March as rising imports offset a record in exports. Page 9

Digging Up History: An Ancient Wall May Shake Foundations of Rome

By Roberto Suro
New York Times Service

ROME — In a discovery that might rewrite the ancient Roman history, archaeologists digging on a slope of the Palatine Hill last week unearthed what they believe was the defensive wall built when Rome was founded.

The archaeologists say the discovery of the wall, along with other recent finds nearby in the Forum, show that Rome emerged as a dynamic society in the seventh and sixth centuries B.C., significantly earlier than has previously been calculated.

As a result, the scholars argue for a major reassessment of the once-common view that the Romans followed the Etruscans to the north and the Greeks to the south in their cultural development. In the new view, early Romans should be depicted as full contributors to the development of city-state civilization in Italy, rather than as recipients of the benefits of more advanced cultures.



SWIFT OPENING — Guido Buchwald, a West German defender, and Carlo Ancelotti, Italy's midfielder, raced for the ball Friday night in Düsseldorf during a rapidly-paced opening match of the two-week European Championship soccer tournament. The teams tied, 1-1. Sports, Page 15.

Strikes Persist in Caucasus

Pravda Reports Food Shortages in Disputed Region

By David Remnick
Washington Post Service
MOSCOW — Strikes in the disputed Nagorno-Karabakh Autonomous Region have persisted for three weeks, leading to severe food shortages, lack of public transport and further ethnic tension, according to Pravda.

The Communist Party newspaper said that since February, unrest in Nagorno-Karabakh had resulted in losses of \$42 million. Nagorno-Karabakh and its capital, Stepanakert, are predominantly Armenian and Christian, but the region is administered by Azerbaijan, a mostly Shiite Muslim republic.

South Korean Police Block Student March Toward North

By Susan Chira
New York Times Service

SEOUL — Errebe but sporadic battles erupted here Friday as riot policemen blocked students from marching to the North Korean border for a meeting with North Korean students.

At Yonsei University in Seoul, several thousand students armed with steel pipes and wooden sticks hurled gasoline bombs and stones at the police in an attempt to break through a cordon set up to halt their march. The fighting broke out shortly after noon.

By early afternoon, the fighting had spread to central Seoul as groups of students, dodging traffic and riot policemen, headed toward the railroad station where they hoped to board trains north.

Gadhafi Discomfited Algiers

At Arab Meeting, He Invites His Peers to 'Go to Hell'

By Yousef M. Ibrahim
New York Times Service

ALGIERS — He wore a white glove on his right hand to avoid soiling it by shaking hands with Arab "traitors."

Monday

Gains for bond investors are proving more elusive in 1988. In Personal Investing.

Stock	Change
Dow Jones	Up 8.36
S&P 500	Up 1.12
Nasdaq	Up 1.15
Russell 2000	Up 1.15
NYSE	Up 1.15
AMEX	Up 1.15

Commodity	Change
Gold	Up 1.15
Oil	Up 1.15
Wheat	Up 1.15
Corn	Up 1.15
Soybeans	Up 1.15

Municipal 'Matrimony' Building Bridges Around the World

By Barry James
International Herald Tribune
PARIS — It would have been unthinkable half a century ago: The sky over the Paris suburb of Sevres crackling with fireworks to honor the visiting German burghers of Wolfenbützel.

Town twinnings often reflect political trends. The visit by Erich Honecker, the East German leader, to his home village in West Germany last year has given impetus to several budding friendships between towns on either side of the German frontier. A score of formal matches have been established in the past couple of years and many more are under consideration.

Most Soviet twinning arrangements in Western Europe are with France and Italy, partly because these have numerically strong Communist parties, and with neighboring Finland. But nine So-

viet cities have twinned with localities in West Germany, and several other such matches are in the offing.

The fewer than 700 official inter-municipal relations between East and West, however, still make up a small proportion of the total links. Half of all twinnings are within Western Europe, and these are likely to take on greater significance as the European Community moves toward a single market in 1992.

France has more twinned localities than any other country, about 3,000 in all. Like Sevres, some 1,300 French municipalities and districts

have established formal links with the former enemy across the Rhine. The first such exchange was set up soon after World War II by the mayor of Ludwigsberg and his French counterpart in Montbéliard.

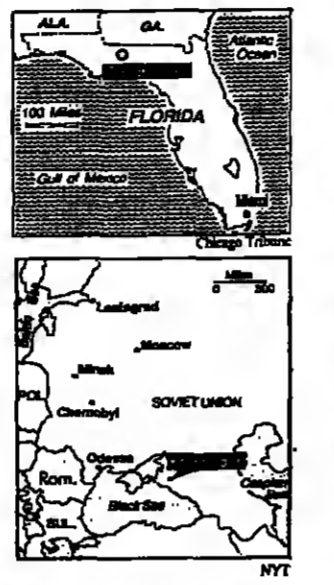
Some of the French-German arrangements are extremely active. Nancy and Karlsruhe, for example, exchange bankers, professionals, policemen, doctors, firemen and teachers and arrange sports and cultural events in each other's towns. Angoulême has friendly relations with half a dozen other municipalities, and an active twinning

committee involving about 700 people. Lyoo has a twinning agreement with Córdoba, Argentina, to develop public transport.

How Tallahassee Met Krasnodar

Back in 1983, when a U.S.-Soviet summit meeting was an unlikely prospect, a dozen citizens from Tallahassee, Florida, went privately to Krasnodar in the Soviet Union to set up some people-to-people contacts.

The initiative was supported by the five-member Tallahassee city council. The citizens' group has organized cultural events in Krasnodar, including a performance by a jazz quartet. An official of Florida State University has discussed possible exchanges with a Soviet counterpart. There has been talk of school exchanges.



In Apparent Thaw, U.K. Has Freed Iranian Jailed in 1981 for Explosion

LONDON — An Iranian man serving a 12-year prison sentence in connection with an explosion at a London hotel has been released early and deported, according to the Home Office.

settlement will cost Britain almost £1 million (\$1.8 million).

Mr. Nooripur was freed several weeks ago under normal parole arrangements after seven years and has been deported, the spokeswoman said.

France Elects Parliament — Second Round

PARIS — The second round of voting in the French legislative elections ended with the Socialist Party retaining its lead.

The election results show a clear victory for the Socialist Party (PS) over the right-wing coalition.

In the heart of Manhattan only a few can have this view.

ESSEX HOUSE Parkside

For those who demand the very best, the Essex House has created "Parkside" where every room or suite has a spectacular view of Central Park.

CHURCH SERVICES

CENTRE OF COPENHAGEN
FIRST BAPTIST CHURCH, English speaking, Sun, 9.00, Copenhagen 7, Tel. 3372104.

CHURCH OF THE LIVING SAVIOUR

Geneva's International Pentecostal church, 20 Ave. des Bains, Geneva, Tel. 011 7400 127.

PARIS and SUBURBS

THE AMERICAN CATHEDRAL, Episcopal Anglican, Mon, Fri, 12 noon Holy Eucharist, Sun, 9 & 11 a.m., Holy Eucharist, 23 Ave. George V, Paris 8, Tel. 47 20 17 72.

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NATO Members Agree to Maintain Level of Spending on Armed Forces

MADRID — Members of the North Atlantic Treaty Organization agreed Friday on the need to keep up the level of their military spending even as they welcomed the relaxation of tensions between the United States and the Soviet Union.

Lord Carrington, the secretary-general of the Atlantic alliance, said that the policies of Mikhail S. Gorbachev, the Soviet leader, had not curbed the Kremlin's military growth and that the West must pursue arms negotiations from a position of strength.

The NATO ministers met in Madrid a week after the end of the summit meeting in Moscow, where Mr. Gorbachev and President Ronald Reagan completed work on a treaty banning ground-based medium-range nuclear missiles in Europe. They also reaffirmed their desire to make substantial cuts in arsenals of long-range nuclear missiles.

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WORLD BRIEFS

Soviets Say U.S. Breaks Geneva Pact

NEW YORK (UPI) — Foreign Minister Eduard A. Shevardnadze said the Soviet Union accused the United States and Pakistan on Friday of breaking the Geneva agreement ending the Soviet presence in Afghanistan.

Execution Bill for U.S. Drugs Killers

WASHINGTON (AP) — The Senate passed legislation on Friday, June 29, that would permit the death penalty for drug dealers convicted of murder.

2 Lethal AIDS Viruses Found

NEW YORK (NYT) — Researchers have isolated two variants of African AIDS virus that are less deadly to immune-system cells than the AIDS virus.

Noriega Aides Are Barred From U.S.

WASHINGTON (Reuters) — President Ronald Reagan ordered Friday that Panamanian officials linked to General Manuel Antonio Noriega and President Manuel Solis Palma be barred indefinitely from entering the United States.

Palestinian Factions Battle in Beirut

BEIRUT (UPI) — Fierce clashes erupted between rival Palestinian factions in two southern Beirut refugee camps, killing at least six persons and wounding 13, police and Palestinian sources said on Friday.

Khamenei Rules Out Forces' Merge

NICOSIA (AP) — President Ali Khamenei of Iran said Friday that his regular army will not be merged with the Revolutionary Guards, Islamic Republic News Agency reported.

For the Record

Two Soviet astronauts aboard the orbiting Mir space station received their first visitors in six months on Thursday with the arrival of a Soyuz-TM-5 spacecraft carrying a three-man team that will stay a week.

TRAVEL UPDATE

Spanish railroad workers went on strike in Madrid and four provinces on Friday to protest job cuts, while gas station attendants were seeking pay raises, launched a two-day stoppage nationwide.

Slovenia Leadership Clashes With Army

Ljubljana, Yugoslavia — The liberal leadership of Yugoslavia's republic of Slovenia, widely regarded as the vanguard of political reform in the Communist world, appears to be facing a severe challenge from hard-line military leaders following the arrest of two dissident journalists.

The Slovene press and to intimidate Slovenia's reform movement.

Called by party leaders "the Slovene Spring," in reference to the 1968 Prague Spring reforms of Czechoslovakia, the process of change in this prosperous enclave of 1.5 million people has drawn the interest of Communist reformers around the world, including the Soviet leader, Mikhail S. Gorbachev, who visited Ljubljana in March.

Discussion on Aid For Survivors of Holocaust Begins

WASHINGTON (AP) — The U.S. deputy secretary of state John C. Whitehead, and the German foreign minister, Gert Fischer, discussed details on Friday of plans for East Germany to provide assistance for the first time to Jewish survivors of the Holocaust.

Mr. Whitehead said the amount of the payments "is currently being discussed."



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INTERNATIONAL Herald Tribune

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START Can Be Finished

Conventional wisdom now holds that it is too difficult to resolve the remaining issues in the Strategic Arms Reduction Talks... Space-Based Defenses. Mr. Reagan wants Soviet agreement to conduct "star wars" tests that Moscow believes would violate the ABM Treaty.

For a Second Trade Bill

With the Senate vote to sustain President Reagan's veto, the U.S. trade bill is sunk, or at least the bill's first version. The question now is whether there will be a second version... That is a fairly good case. But there is a better case for reviving the bill and sending it back to Mr. Reagan.

It's Unfair to Be So Fair

Tim Smith is a candidate for an open seat on the board of supervisors in Sonoma County, California. Last week, at the height of the campaign, a group of women took to the streets of Santa Rosa with picket signs denouncing Mr. Smith. His offense? According to his accusers, he was unfairly exploiting his looks to win the election.

Other Comment

Aquino and the Peasants
A contented landholding peasantry is regarded as one of the best bulwarks against revolution. In the Philippines, land reform has been seen as Mrs. Aquino's potentially most effective weapon in her battle against Communist insurgency.

INTERNATIONAL HERALD TRIBUNE
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Co-Chairmen

OPINION This Time the French Voters May Be Heard

By William Pfaff

PARIS — There is an old story about the Tennessee mule-skinner who began each day's work by clubbing his mules between the ears with an axe-handle. "To get their attention," Politicians can be much like Tennessee mules. It has taken the French electorate more than 15 years to force the attention of France's political class onto the fact that they wish to be governed from the center. They have perhaps at last succeeded.

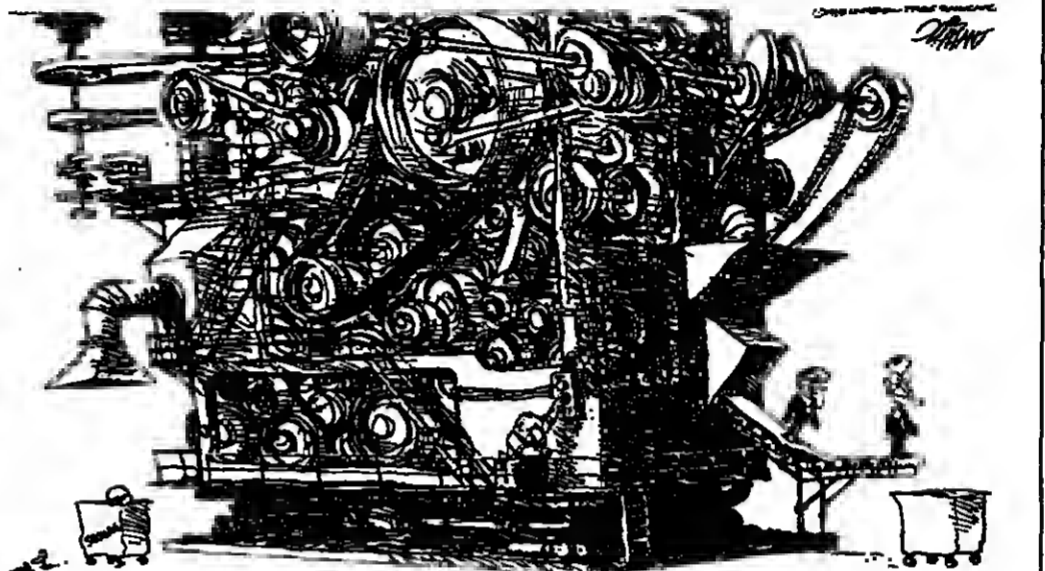
They want problem solvers, not ideologues, and they want to be governed from the center.

did not want a Socialist parliamentary victory so big as to encourage still more temperate lawmaking. Wearily — with one-third of the electorate abstaining, a record — the public went out and gave Mr. Mitterrand what he wanted. Voters in Sunday's first-round election gave the Socialist Party a projected majority of parliamentary seats but gave the rightist parties an edge in the popular vote — to keep the Socialists honest. They put Jean-Marie Le Pen, the extreme-right, anti-immigrant candidate, back in his box. On present projections, his National Front is unlikely to win more than two or three seats in the National Assembly, down from 35 seats in the last Assembly.

Is Dukakis A Guy Who Can Say No?

By David S. Broder

WASHINGTON — For years the Democratic Party has labored under the handicap of being known as the Ado Annie of U.S. politics. She is the character in the Rodgers and Hammerstein musical "Oklahoma" who sings of herself, "I'm just a gal who can't say no." The inability of the Democrats to say no to wonderful-sounding, extravagant schemes is probably the biggest reason they have lost four of the five presidential races since Lyndon Johnson left the White House.



The Amazing Primary Machine

That covers the public-financed programs Democrats single out but has been burned badly by inflation the last two times the Democrats had the keys to both the White House and Congress in their hands. This penchant for divided government is a potential advantage for George Bush in November. Everyone knows the Democrats are likely to control both houses of Congress in January. To vote for Michael Dukakis, the voters will have to take a gamble they have not been ready to take since 1976, when they narrowly elected Jimmy Carter.

ogy cannot adequately describe the social change that has taken place across the modern industrial and post-industrial societies. Clashes of economic, social and regional interest still exist, but the common interest in containing and arbitrating these conflicts is generally understood. It is not a zero-sum game. Intelligent modern politicians do not campaign on a platform of destroying another party, class or interest, of making others pay, others suffer, of cutting others out of the community. Parties in modern society are themselves coalitions of interest. This is true of the two big West German parties and of the Christian Democrats and Communists in Italy. It certainly is true of Democrats and Republicans in the United States. Even in Britain, with its peculiar experience of class divisions and class obsession, where the "hard left" trade unions have disproportionate power over the Labor Party, both Labor and the Conservatives are moving away from ideology. It has been a mark of France's political backwardness that it entered the 1980s with its politics still dominated by intemperately ideological parties. It is a mark against its political class that, with honorable exceptions, that class failed for so long to grasp what the electorate was saying. The future belongs to political leaders who understand that the public wants disinterested competence to government. It wants problems solved. It wants society's conflicts reconciled or arbitrated, not exploited. The public in France has just demonstrated that it will punish the leaders who fail to understand this.

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The Voices of Santiago Say Anything Could Happen

By Larry McMurtry

SANTIAGO — Across the street from the Hotel Carrera there's the thunder of percussion: they're changing the guard in front of the presidential palace. The air is so hot, the sunlight filters through the crowd so brightly that the band is almost blinding. By far the liveliest element in this assembly are the tiny, wonderful Chilean children, all of them possessing total chic. Rarely more than a foot high, they are nonetheless capable of brilliant dashes that confound whatever authority is mustered against them. In Chile, short does not mean silent, either; these minute Chileans are quick to lecture strangers who attempt to aid their parents in repressive actions.

The talk is all of the plebiscite. The future of Chile is in play.

achieves sonority at some cost to liveliness; his piercing blue eyes are rarely lifted from the text, but this is compensated for by some well-paced split-screening, so that we see him beneath a frieze of dancing children, or gardens and parks. Then there will be a cutaway, and as we hear the president we are shown strikingly composed shots of housing projects, immaculate as only an image-conscious fascist can make them. The speech was long, but I did not turn it off. What held me was the image-friese constructed around the president, an alteration of social achievement and tourist-paradise imagery. As political advertisement it was much more sophisticated than anything in the present monochromatic campaign in the United States. Also, I found in because I wanted a closer look at Maria Luisa Pinochet, which I got eventually. As an analogue to her, Lady Macbeth had been mentioned to me more than once. It is hard to find a cynic in Chile. The people are remarkably healthy, lively, forward-looking and fair-minded; they give the president his precise due and weigh his failings just as precisely. To some degree they have acquired the Italian skill of ignoring their government as much as possible

size of the problem, helped discipline spending, and raise needed revenue. It was not an Ado Annie deal the Democrats struck. All this may benefit Mr. Dukakis, who has resisted making extravagant commitments to Democratic special interests. He has avoided the "special interests" label that plagued Walter Mondale in 1984 and has secured the votes needed for nomination without paying off a lot of claimants. But the tough test comes in the period just before and during the party convention. Platform planks become pacifiers for losing candidates and sensitive constituencies. The inclination to "take care of" folks so they won't mar the picture that television viewers get of the convention is powerful. Both in 1976 and 1980, Jimmy Carter paid a large price to his party's clamoring constituencies, and voters noticed. Mr. Dukakis has shown he can say no. It remains to be seen if he can keep saying it. As Ado Annie sings, "As soon as I sit on their laps, something inside of me snaps."

The Washington Post

time to triumph? Will the president resort to constitutional gamesmanship? Will he pop the plebiscite quickly, or time it for the Chilean spring in hopes that people will be more interested in snidling the flowers? (In theory, he must hold it by Dec. 12.) The opposition dialogue is constant, fluent and invigorating. It is in the papers and on TV; it has broken its dam and will not be easily checked again. Ricardo Lago, a Socialist who now heads the PPD coalition, stunned the nation by challenging General Pinochet publicly to live up to his promises, particularly the one about not running again. This is heavy stuff; Chile is thirsty for more. Listening to the opposition, one is reminded of an orchestra tuning up. Some of the musicians have never played together; many melodies overlap; they have not yet become one music. But the general is no Mozart. The opposition is very on brio at the moment, and it may set the tempo.

The writer, who won a Pulitzer Prize in 1986 for his novel "Lonesome Dove," contributed this comment to The Washington Post.

100, 75 AND 50 YEARS AGO

1888: Egypt's 'Dry Nurse'
LONDON — The Morning Post commenting on the Egyptian situation, observes: "At present it seems that we are reduced to carrying out the work of planting our own civilization in Egypt through the agency of Orientals who will gladly uproot every trace of it so soon as the promised day shall come for the departure of the English garrison." The Standard remarks that "though Nubar Pasha has given place to Riez, England will not any the less occupy the post of dry nurse to the Khedive, or persuade the world that we have ceased to supervise his Government and to control administration."
1913: A Daring Flight
PARIS — Mr. Brindejone des Moulins, the young French aviator, acquired world-wide fame yesterday [June 9] by beating all aviation records for distance and speed in traversing France, Germany and part of

Haiti: Peace But With Bated Breath

By Jonathan Power

PORT-AU-PRINCE, Haiti
This city still looks as it did at the time of the phony election in January. The same whirlwind of activity on every sidewalk — vendors, criers, peddlers, ironmiths — a cacophony of bustling noise amid the conflicts smells of burning charcoal and da open sewers; women, with an African swing, carrying great basins on their heads; scribbles sitting under the trees, poised with ancient clack typewriters; children pouring out school gates in their French-style uniforms. Primitive buses, stuffed with passengers, are painted like ey wrapping paper, each bearing a message: "Dieu est Bon" or "C'est la France de Dieu." In the early evening children line up at the public taps to fill plastic buckets.

But Port-au-Prince has changed profoundly. No longer at night the huge neon sign outside the pale flash a message about the late François Duvalier being "the Haitian's one and indivisible." The younger Duvalier has fled France. The military men who I loved him into power are no longer in political office. Occupying it is a long-time opponent of the Duvaliers who spent 20 years in exile. It is safe again to walk the streets at night. The dreaded Tonton Macoute are ordered to be seen. The past is over. Yet there hovers both an uncertainty and an unease.

Marc Bazin was a leading contender to last year's presidential election but dropped out after 34 people were murdered by Tonton Macoutes as soldiers as they stood in line at a polling station in November. He's me, "They only have to click their fingers and the violence will return." The army is still the power in the land, though for now it has taken back seat. I made Mr. Manigat president to a runoff election in January after all other credible candidates had pulled out. With less than a third of the electorate voting — some 100,000 members put the figure, low as 5 percent — Mr. Manigat, no popular mandate to fall back when challenged by the army.

The army boss, Lieutenant Gen. Henri Namphy, is believed to be honest, but too many of his subordinates are deep into the contraband and drug trades. The center of corruption now centers on certain out-rigger figures, but it clearly spreads unless firm action is taken. Both Mr. Manigat and Gen. Namphy have been slow to do anything, this is the one area where the press is pressured to censor in. What should the United States and France, Haiti's traditional trading partners and aid givers? All of them chilled their relationships with Haiti after the November killings. The United States suspended about \$60 million in aid — a quarter of the Haitian budget.

None of the Haitians I talked to happy with the status quo, though say it is immeasurably better than under the Duvaliers. They are prepared to tolerate this regime. The pressure of last year has knocked wind out of their sails. It would seem proper for the U.S. to continue its aid cut (although \$40 million is still provided for humanitarian help) and for Canada and France to keep their distance, at least until the government makes some commitment to democracy. It could, for example, honest elections for the Senate.

Yet as the aid moratorium continues, it is the Haitian poor who suffer most. The government, the bureaucracy and the army make sure it cuts fall on the weakest. It is a situation that calls for an prompt. Without foreign aid the Manigat government cannot put best foot forward. Yet with the wrong kind of aid — especially military — the army will conclude that it been left off the hook. Humanitarian aid should be gradually increased so as to favor development projects in the village. After that, the West must keep fingers crossed and wait for U.S. Senate elections.

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Bishop

GADHAI

Norway Dispute

1938: 'I Am the Law'

NEWARK, New Jersey — Mr. Frank Hague of Jersey City, stepped into the national limelight declaring, "I am the law," and putting it by having his police use radical speakers across the city today [June 10] gave his definition of what he considers a Communist. "A Communist," said the Mayor, "is a man who is subject to Russian radical opposition to American principles and institutions, whose sole purpose is opposed to all types of religion and government." He went on to set forth his attitude on radicals which has made him a target for liberal criticism throughout the nation. He upheld his right to bar meeting in his city to "un-American" groups.

Handwritten signature: Joly Joly

Haiti: Peasants But With Bated Breath

By Jonathan... Haiti: Peasants But With Bated Breath... The peasants are waiting for the government to carry out its promises...

Italians Indict 8 in Art Case

'Leonardo' Deal Is Termed Illegal

By Souren Melikian... An Italian court has indicted eight persons in connection with the export of a drawing attributed to Leonardo da Vinci...



MILLENNIAL RITES — Raissa Gorbachev, wife of the Soviet leader, and the Soviet first deputy prime minister, Nikolai V. Talyzin, with Russian Orthodox Church officials and world religious leaders Friday at the Bolshoi Theater in Moscow for ceremonies marking 1,000 years of Christianity in what is now the Soviet Union.

Bishop in China Calls for Talks With Vatican

HONG KONG — A bishop in China's breakaway Catholic Church called Friday for the Vatican to settle differences with his church through negotiations...

GADHAFI: Libyan Leader Tells Peers to 'Go to Hell'

(Continued from Page 1) ... Colonel Gadhafi swelled his chair to give the Moroccan his back. He managed to stun everyone again in a rambling speech that turned on the hurt he felt when Arab leaders failed to come to his support in 1986...

ROME: A New History

(Continued from Page 1) ... About 3 meters (10 feet) below the poppies and dandelions that grow wild on the surface, and below centuries of constructions dating back through the Renaissance...

Norway and Israel Resolve Dispute Over Heavy Water

OSLO — Norway and Israel have resolved a dispute over heavy water sold by Oslo almost 30 years ago, but government sources said the compromise solution would not allow Norway to check whether it was used to make atomic weapons...

KOREA: Clashes in Seoul

(Continued from Page 1) ... While the government is trying to accommodate public demands by broadening contacts with North Korea, it is wary of alarming the security-conscious military...

Israelis Holding Arab for Attempt To Kill a Mayor

JELAZOUN, Israeli-Occupied West Bank — Security forces arrested a Palestinian suspect of stabbing the Israeli-appointed mayor of a West Bank town and demolishing his cinderblock house Friday in the Jelazoun refugee camp...

Soviet Envoy, Expelled Once, Arrives in Egypt

CAIRO — A senior Soviet diplomat, once expelled from Egypt by presidential order, arrived in Cairo Friday as a special envoy from the Soviet leader, Mikhail S. Gorbachev...

Aquino's Land Reform Bill Viewed as 'Sham' by Farmers

By Keith B. Richburg... MANILA — President Corason C. Aquino signed into law Friday a new land redistribution program, but farmer groups rejected the bill as "a sham" saying it would fail to help the impoverished rural masses...

Pretoria Forbids Press From Quoting Outlaws

JOHANNESBURG — The government on Friday imposed regulations making it an offense to quote spokesmen of restricted anti-apartheid organizations and placed severe prohibitions on South Africa's largest trade union federation...

Japan Ponders Additional Aid

TOKYO — Japan, the world's largest donor of overseas economic aid, will expand its aid program to developing countries if the current level is not enough, Foreign Minister Sosuke Uno said Friday...

Five Blacks Are Hanged

Five black men sentenced to death for murder were hanged at dawn in the central prison in Pretoria on Friday, Agence France Presse reported from Pretoria.

Advertisement for Omega watches. Text: "FOR A MOMENT, WHAT BEGAN AS SIMPLY A RITUAL BECAME SOMETHING VERY RARE AND REAL SOMETHING TO HOLD ONTO FOREVER OMEGA FOR ALL YOUR SIGNIFICANT MOMENTS". Includes an image of an Omega watch and the Omega logo.

0 YEARS AGO

Russian... 1938: 'I Am the La... Newark... Hong Kong Bill Offers Pardon Deal to Triads

Hong Kong Bill Offers Pardon Deal to Triads

HONG KONG — The Hong Kong government announced Friday that it will introduce a bill this month under which members of triad gangs will be given amnesty if they renounce membership in the secret criminal societies...

ARTS / LEISURE

French Ballet Is Alive and Thriving in the Provinces



Scene in William Forsyth's "Love Songs" by Lyon Opera Ballet.

By David Stevens

Between the three-century-old tradition and high visibility of the Paris Opera Ballet and the splash made in the modern-dance world by the radical young French exponents of dance theater, there is another sector of dance in France that has been somewhat squeezed out of public attention but is nevertheless defining itself, finding a public, and even thriving.

It is represented by companies outside Paris, usually attached to opera houses. They are predominantly classically trained but eclectic in repertory. Many of them have existed for a long time but have been overshadowed by, if not downright subservient to, the opera companies to which they are attached. Most of them do not have enough dancers to do the big Romantic classics. The good news is that the worldwide growth of dance as an independent art form and the attendant growth of what might be called a 20th century, classically based repertory, has given these troupes a growing autonomy, even a new lease on life.

Some examples are the Lyon Opera Ballet, now widely known outside France; the newly renamed Ballet Français de Nancy, which has just acquired Patrick Dupond as both star and artistic director; the Ballet du Rhin, based in Mul-

house and part of the Opéra du Rhin, which also serves the cities of Strasbourg and Colmar; the Ballet du Nord, in the Lille area, where Alfonso Cati represents an extension of the Balanchine tradition in France, and the active Ballet de l'Opéra de Nantes.

des Sports in Paris, has a different history. It is the current version of the erstwhile Ballet Théâtre Contemporain, founded 20 years ago by Jean-Albert Cartier in Amiens. The original idea was a company that, taking a leaf from Diaghilev, would have a contemporary repertory and call on leading artists for sets and costumes. Cartier, although a busy impresario, remained director until recently, through name changes and moves to Angers and Nancy.

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Dining Out FRANKFURT The finest traditional Chinese cuisine TSE YANG Kung-fu, Cantonese, 23-25 Ave. Paris, New York, Geneva, Düsseldorf. GENEVA NIJANCES Loh-shan restaurant. Paris-Bar Fine food in a relaxed atmosphere on the right bank of Lake Geneva, 7 minutes from the center, with views on Lake and Mont Blanc. MUNICH L'ENTRECÔTE The unique French restaurant which offers specialties with French Cook de Paris touch. NEUCHÂTEL LA CHEVAUCHEE Spanish tapas & traditional cooking. JARRASSE As refreshing as the sea, specialties in fish, Bouillabaisse, Oysters, shell fish, live crabs, low price, 4 Ave. Miroir, Tel: 42 27 14 21 or 42 24 07 55. INDIRA AND VISHNOU The most exclusive Indian restaurant in Europe. PARIS 17th KERVANSARAY Turkish & 141 specialties, lobster bar, best seafood restaurant, 1st floor, Miroir 2, Tel: 42 27 34 79.

Indian Musician Reshapes Ancient Sarod Sound

By Steven R. Weisman New York Times Service NEW DELHI — Like traditional performing arts everywhere, Indian classical music has undergone a hand-wringing crisis in the 20th century. Practitioners will breathe new life into ancient teachings. Musicians can claim to embrace those traditions more than ever. Ali Khan, who is the sixth generation in his family to be devoted to preserving the sarod, a stringed instrument with a smoky timbre of color that seems distinctly Indian, although it harkens to ancient Persia and Afghanistan.

At the age of 42, Khan also constantly to reshape and experiment with his technique and instrument, pushing himself to achieve new sounds and musical configurations. From the time it was first invented, the sarod has been modified, Khan said in a recent interview. "Even now, I am still redesigning and modifying, making the drum smaller or the bridge higher. I'm always looking for different kind of resonance, a deeper sound."



Amjad Ali Khan practicing for a sarod performance in New Delhi.

flow of improvisations, ornamentations and tempos set off against the sound of the tabla, or drum. Indian ragas, whether sung or played, are supposed to fuse with the rhythms of nature and are geared to a specific time of day or year. It is said that Tansen, a legendary court musician at the time of Akbar, the Mogul emperor, once caused the rain to fall by singing a raga associated with the rainy season. "If someone asks me for the meaning of Indian classical music, I say it lies in freedom and discipline," said Khan. "You should not try to understand it. The music should be felt and experienced."

Khan is the youngest son of Hafiz Ali Khan, who died in 1972 after a long career as one of India's most beloved sarod players. Today the son is teaching his own two sons to carry on in the tradition. Musicians say that young people in India are increasingly rediscovering the importance of classical musical traditions. Concerts by some of India's masters draw crowds of young people both in jeans and in traditional clothes. In another tradition, the audience is supposed to gasp, applaud and shout approval during particularly intense moments of musical interplay. "It's not so much an entertainment as a conversation with the audience," Khan said. "Participation by the audience is very important. When I'm playing before an audience, I can tell whether they're saying, 'Yes, I see,' or 'No, no, I don't understand.' I must feel that there are people I'm talking to."

Tokyo's 'Phantom of the Opera'

By John Rockwell New York Times Service TOKYO — The world of Andrew Lloyd Webber's flosky but spectacular musicals has expanded from the West End and Broadway to far, far beyond. Productions of "Jesus Christ Superstar," "Evita," "Cats," "Starlight Express," "The Phantom of the Opera" and other hits by the British composer now circle the planet, appearing with startling frequency in Japan, Australia, Europe and South America as well as in many North American cities. No country has been more eager to import these shows than Japan, which seems to be gripped by a mania for Western musical theater and opera.

A few years ago, hit Broadway shows traveled infrequently to Asia, and even the Metropolitan Opera had trouble selling out here. Met productions are packed for the current tour of Tokyo, Osaka and Nagoya; West Berlin's Deutsche Oper visited Japan recently. La Scala is due soon, and the Bolshoi and more are ready to come. The Shiki Theatrical Company has been assiduous in mounting Tokyo productions of Lloyd Webber's shows as well as other musical hits; the staging of his "Song and Dance," with the protagonist alternating between the English singer Marti Webb and a Japanese singer, has just been announced. "The Phantom of the Opera," which settled into the Nissei Theater

opposite the Imperial Hotel on April 29, is playing to sold-out houses. The composition of a recent evening's audience (said to be typical) was surprising to a New York critic: The crowd was remarkably even, astonishingly young. They hardly seemed to be anyone over the age of 20. And all these teenagers, who sit politely and quietly and applaud politely and quietly at the end, had paid up to \$80 a ticket. "Phantom" is sung and spoken in Japanese. The Japanese do cheat a little. Key phrases are rendered in Japanese-accented English — "The Phantom of the Opera" itself, "Masquerade" and most prominently, twice: "Christine, I love you."

This, presumably, reassures the Japanese that they are getting the genuine article. Lloyd Webber, the show's director, Harold Prince, its designer, Maria Bjornson, and others in the show's Tony-winning team spent weeks in Tokyo, making as sure as they could that this production would match those of London and New York. Language aside, the biggest problem is in the configuration of the Nissei Theater. Its playing area is wide and reasonably deep (the emergence of the Phantom's ghostly boat through the candelabra rising out of the subterranean lake works better in London and Tokyo than in the Music Theatre in New York, which has a shallower stage). But its proscenium arch is very low, making the playing aperture more like a Cinemascope screen than a square. That lends the show an odd, squashed look, with any scene requiring height (the descent by lifting ramps to the depths of the opera house, the starry sky above the roof) downright claustrophobic. Technically (one snagged fabric aside) the show went smoothly, with excellent, undistorted amplification compensating for what sounded like a smallest pit band. Shoichi Kawai, the conductor, kept things moving briskly, providing a nice momentum but some-

times rushing the lyricism, as in the song "Music of the Night." The Tokyo "Phantom" now plays eight shows a week and will go up to 10 this month. The show's most astonishing cast: four Phantoms, two of whom play Raoul, the Phantom's rival for Christine's affection, when they aren't in the title role; a third-back-up Raoul; three Christines and two backups; and so forth. Masachika Ichimura's Phantom caught the tormented conflicts of the title character adeptly, matching some of Michael Crawford's flaws (the strangled yell at the loud high notes) but some of his vulnerability and sensuality as well. In a Japanese context, the Phantom's mask seems overtly reminiscent of No dramas, and his disfigured face, perhaps deliberately evokes Kabuki makeup. Ichimura couldn't quite control his voice in the high soft crooning, and his hand gestures missed Crawford's snaky sexuality. But it was still an admirable job. Kyohko Suzuki, the Christine of the night, did well, too, offering a more conventional lyric soprano than Sarah Brightman's, although Lloyd Webber made expressive use in his writing of his wife's folksy simplicity of utterance and her Lily Pons-like coloratura top, and Suzuki wasn't so sure up there in the vocal stratosphere. The best of the Tokyo principals was Yuchiro Yamaguchi, who offered a strong, dashing Raoul and sang with a firm baritone; he is one of the occasional Phantoms, and it would be interesting to encounter him in that guise. The rest of the cast, from the theater owners to the aging opera singers to the imperious ballet mistress to the ballet ingenue, were all surely done, even if the policemen seemed a little too close to "The Mikado" for comfort. In sum, the Japanese can rest secure in the knowledge that they have the real goods; Western visitors might well want to check out this latest instance of cross-cultural synthesis, and Lloyd Webber seems to have tapped yet another long-running source of income.

DOONESBURY comic strip panels with dialogue: HEY... THAT'S NOT J.J.'S LEG... GREAT... J.J.'S ONLY BEEN GONE TWO WEEKS AND I'VE ALREADY BROUGHT SOMEONE HOME. UNBELIEVABLE! YOU ARE A REAL PIECE OF WORK, MIKE... YOU ARE SCUM! YOU ARE THE LOWEST OF THE... HEY, MIKE, GIVE KICKING ME, WILL YOU? OH, THANK GOD! IT'S ONLY YOU! MIKE, BE GO THROUGH THIS EVERY MORNING...

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Vol.	High	Low	Last	Chg.
Eastman	127.00	126.00	126.00	+
IBM	125.00	124.00	124.00	+
Amgen	120.00	119.00	119.00	+
Amgen	118.00	117.00	117.00	+
Amgen	116.00	115.00	115.00	+
Amgen	114.00	113.00	113.00	+
Amgen	112.00	111.00	111.00	+
Amgen	110.00	109.00	109.00	+
Amgen	108.00	107.00	107.00	+
Amgen	106.00	105.00	105.00	+

NYSE	Amex	OTC
158,710,000	11,400,000	1,400,000
158,710,000	11,400,000	1,400,000
158,710,000	11,400,000	1,400,000
158,710,000	11,400,000	1,400,000
158,710,000	11,400,000	1,400,000

High	Low	Close	Chg.
158.71	158.71	158.71	+0.12
158.71	158.71	158.71	+0.12
158.71	158.71	158.71	+0.12
158.71	158.71	158.71	+0.12
158.71	158.71	158.71	+0.12

Friday's NYSE Closing
Via The Associated Press

Close	Prev.
210	209
210	209
210	209
210	209
210	209

Close	Chg.	Week	Year
100	+10	100	100
100	+10	100	100
100	+10	100	100
100	+10	100	100
100	+10	100	100

Vol.	High	Low	Last	Chg.
100	100	100	100	+
100	100	100	100	+
100	100	100	100	+
100	100	100	100	+
100	100	100	100	+

Close	Chg.
100	+10
100	+10
100	+10
100	+10
100	+10

Close	Prev.
100	100
100	100
100	100
100	100
100	100

Buy	Sales	Net
100	100	0
100	100	0
100	100	0
100	100	0
100	100	0

Open	High	Low	Last	Chg.
100	100	100	100	+
100	100	100	100	+
100	100	100	100	+
100	100	100	100	+
100	100	100	100	+

High	Low	Close	Chg.
100	100	100	+
100	100	100	+
100	100	100	+
100	100	100	+
100	100	100	+

Close	Prev.
100	100
100	100
100	100
100	100
100	100

High	Low	Close	Chg.
100	100	100	+
100	100	100	+
100	100	100	+
100	100	100	+
100	100	100	+

12 Month High	Low	Stock	Div.	Yld.	P/E	52	100	High	Low	Close	Chg.
100	100	AAEP								100	+
100	100	AAEP								100	+
100	100	AAEP								100	+
100	100	AAEP								100	+
100	100	AAEP								100	+

NYSE Up in Moderate Trading

United Press International
NEW YORK — Prices on the New York Stock Exchange posted modest gains Friday after a sharp mid-afternoon pullback tied to an easing in the bond market.
 The Dow Jones industrial average rose 8.36 to close at 2,101.71. For the week, the index rose 30.41 points, or 1.5 percent.
 The Dow was ahead more than 21 points before its sharp retreat in the final two hours of the session.
 Advances topped declines about an 8-5 ratio. Volume slowed to 153.71 million shares from 235.16 million traded on Thursday.
 "We are going to have a lot of trouble advancing at these levels," said Jon Groveman, head of equity trading at Ladenburg, Thalmann & Co. "The higher we go, the harder it will be to rally further."
 Mr. Groveman said the market still faced "tremendous competition" for funds from the high yields in the bond market, and could be "running into a value problem relative to the competing rates in other investments."
 "People will talk about resistance at certain levels, but there is a reason for that resistance," Mr. Groveman said. "Unless there is a new bull move in the bond market, the chances are pretty remote of a new bull move in stocks."
 Broader market indexes also posted modest gains. The New York Stock Exchange composite index rose 0.53 to close at 152.89. Standard & Poor's 500-stock index gained 1.06 to 271.26. The price of an average share added 12 cents.

12 Month High	Low	Stock	Div.	Yld.	P/E	52	100	High	Low	Close	Chg.
100	100	AAEP								100	+
100	100	AAEP								100	+
100	100	AAEP								100	+
100	100	AAEP								100	+
100	100	AAEP								100	+

12 Month High	Low	Stock	Div.	Yld.	P/E	52	100	High	Low	Close	Chg.
100	100	AAEP								100	+
100	100	AAEP								100	+
100	100	AAEP								100	+
100	100	AAEP								100	+
100	100	AAEP								100	+

12 Month High	Low	Stock	Div.	Yld.	P/E	52	100	High	Low	Close	Chg.
100	100	AAEP								100	+
100	100	AAEP								100	+
100	100	AAEP								100	+
100	100	AAEP								100	+
100	100	AAEP								100	+

ECONOMIC SCENE
 Buckle in!
 Fall to Taxpayers

CURRENCY RATES

INTEREST RATES

Value Declines

July 10, 1983

(Continued on next left-hand page)

كندا، لوتو

ECONOMIC SCENE

As Thrifts Buckle in U.S., Repairs Fall to Taxpayers

By PETER PASSELL

NEW YORK — Will the Federal Home Loan Bank Board be able to raise enough cash to keep the savings and loan industry afloat? The liquidation this week of two small California thrift institutions, at a cost of \$3.5 billion, did not mean that the regulators' upbeat rhetoric...

The clean-up cost is estimated by a former thrift board official at \$75 billion.

The thrift industry has faced trouble since the inflationary 1970s, when many institutions were trapped between fixed returns on mortgage loans and rapidly rising interest on deposits.

These federally insured deposits were plowed into risky real estate ventures and junk bonds. When the real estate bubble burst for oil and gas, the industry collapsed, hundreds of S&Ls were left with assets worth less than zero.

Some regulators say the bank board can still cope with the situation if Congress expands the board's authority to borrow from Wall Street, using the current emergency insurance premiums as collateral.

And 510 other thrift institutions with assets of \$255 billion, he estimates, should also be counted among the walking dead.

Bonn Cuts Its Trade Surplus

Imports Offset Record Exports

By Ferdinand Protzman

FRANKFURT — West Germany's trade surplus fell sharply in March from a year earlier as rising imports offset record exports, the Federal Statistics Office reported Friday.

Economists said the improvement would not mean a resumption of West Germany's reluctance to stimulate domestic demand.

West Germany's merchandise trade surplus totaled 8.6 billion Deutsche marks (\$5 billion) in March, an increase from 8.2 billion DM in February but well below the 10.1 billion DM posted in March 1987, the statistics office said.

The surplus in the nation's current account, which measures trade in goods and services as well as certain financial transfers, contracted to 4.7 billion DM in March from 5.1 billion DM in February and 8.6 billion DM a year earlier.

Imports climbed sharply to 41.48 billion DM in March, a 23 percent gain from 33.72 billion DM in February and up 12 percent from 36.93 billion DM a year earlier.

But exports also surged, by 19 percent to a monthly record of 50.06 billion DM in March from 41.87 billion DM in February. The figure represented a 6 percent rise from 47.04 billion DM in March 1987.

Record exports are not what the major trading partners wanted to see, said Liang Lambarth, an economist with Commerzbank AG in Frankfurt.

The trade and current-account figures are preliminary and are not adjusted for seasonal factors or inflation.



Continental's destination board in the airline's new facilities at Newark International Airport.

Storm Clears at Continental Airlines Chaotic Merging of 6 Carriers Is Nearing Profitability

By Agis Salpukas

NEW YORK — For more than a year, Continental Airlines has been struggling to digest People Express, Frontier Airlines, New York Air and two other commuter airlines.

The effort has produced labor problems, nightmares in scheduling and passenger service and heavy losses.

Yet while the flagship subsidiary of Texas Air Corp. still faces the challenge of regaining passenger confidence, the worst appears to be behind.

The complex task of integrating more than 300 jets, disparate maintenance operations, tens of thousands of workers and scores of routes is nearing completion.

Although Continental still ranks lowest among the 19 biggest U.S. airlines in on-time performance and highest in customer complaints, the complaints have dropped dramatically since last year.

The Federal Aviation Administration concluded last month after an investigation that the airline was operating safely.

With competitors following suit after Continental's substantial

Continental Airlines Fleet

Table showing fleet details for Continental Airlines, including aircraft types (A300, MD-80, DC-9), counts, and total fleet size.

David Sylvester, an airline analyst at Kidder, Peabody & Co., believes that the FAA safety investigation marked the nadir for Continental.

Steep Food Costs Lead Rise in U.S. Producer Prices

Compiled by Our Staff From Department of Commerce

WASHINGTON — U.S. wholesale prices, led by the steepest increase in food costs since January, rose a moderate 0.5 percent in May, the government reported Friday.

If the May increase held steady for 12 consecutive months, inflation at the wholesale level would be at an annual rate of 5.8 percent, nearly triple the modest 2 percent increase of the past 12 months, the Labor Department said.

Analysts said that the rise in May of producer prices, while moderate, suggested hefty inflation gains in months to come that will find their way to the American consumer.

"This number is not an inflation nightmare," said Joseph Liro, financial economist at S.G. Warburg Securities. "But it certainly points to a pick-up in inflation over the next year."

Inflation over the past three months has been pushing forward at a 6 percent annual rate, analysts noted. With large increases embedded in the Producer Price Index's crude and intermediate goods components, economists said further price gains would soon appear in both finished and consumer goods.

"These are more dangerous numbers, which will filter through eventually," said Joseph Flood, chief economist at McCarthy Crisanti Maffei Inc. "The question is when."

The May increase followed a 0.4 percent rise in the Producer Price Index in April and a 0.6 percent rise in March. Energy prices led the rises in March and April.

Increases in food prices accelerated in May by 0.9 percent after a 0.4 percent April increase. The rise in May was the biggest for food prices since a 1.7 percent increase in January.

Energy prices, which had surged 3.1 percent in April, rose only 0.2 percent in May, largely because of a 3.8 percent drop in natural gas prices.

Car prices rose a modest 0.2 percent in May after declining 1 percent in April on manufacturers' rebates to dealers.

The May increase brought the overall wholesale price index for finished goods to 107.5, meaning that a basket of products costing \$100 in 1982 would cost \$107.50 last month, up 60 cents from April.

So far this year, wholesale prices are rising more slowly than consumer prices. For the first five months of 1988, wholesale costs were up 3.4 percent. Consumer prices through April were up 4.5 percent to dealers.

The government is scheduled to report May consumer prices on June 21. (Reuters, AP)

Mexico Reports Only 1.9% Rise In Retail Prices

MEXICO CITY — Consumer prices, restrained by a new anti-inflation program, rose 1.9 percent in May in the smallest increase since November 1981, the government reported.

It was the fourth consecutive month that the inflation rate had eased.

The Bank of Mexico, the country's central bank, said Thursday that the improvement resulted from a pact under which many prices have been frozen since March.

President Miguel de la Madrid initiated the program after officials became concerned that inflation was on the verge of spiraling even higher.

A key component of the anti-inflation program is a freeze on the minimum wage and on prices of government-regulated goods and services.

Consumer prices skyrocketed a record 159.2 percent last year and in January soared 15.5 percent, a record one-month increase.

Currency Rates

Table showing various currency exchange rates, including D.M., S.F., U.L., and others.

Table showing interest rates for various financial instruments, including Treasury bills and bonds.

Table showing interest rates for different types of deposits and loans.

Table showing interest rates for various financial products and services.

Table showing interest rates for different types of money market funds.

Table showing interest rates for various financial instruments, including gold.

U.S. Markets Mull Ways To Widen Block Trades

Selling a Portfolio in One Fell Swoop

By James Sternog

NEW YORK — In two steps that could significantly increase the amount of program trading in the stock market, the New York Stock Exchange and the Chicago Mercantile Exchange are considering ways to make it easier to trade large baskets of stocks.

The idea of block trading of stock-index futures was discussed this week by Leo McInnes, chairman of the Merc's executive committee, other Merc officials, and traders and executives from a number of Wall Street firms at meetings in New York, according to participants at the sessions.

Together, the two measures could have a major impact on stock trading. They could accelerate a trend toward the trading not of individual stocks, but of the whole market by the large institutions that dominate trading.

Under the Merc proposal, a new mechanism would be created under which traders at the Merc would buy and sell single stock-index futures contracts or small clusters of them, but blocks of perhaps 500 contracts or more.

The dollar value of a single contract is equal to 500 times the level of the index, and the investor must put down an initial margin, or deposit, of about 10 percent of that value to buy a contract.

This has at times been difficult and expensive for the large institutional investors that occasionally trade such huge amounts. The change, which has many technical and regulatory hurdles to overcome before it is enacted, would make it far easier for large financial institutions to move huge sums in and out of the market and to engage in the form of program trading known as stock-index arbitrage.

Both the presidential task force that studied the October market collapse and the Securities and Exchange Commission's report on the crash noted that the markets are increasingly being dominated by these large institutions and encouraged the creation of mechanisms to make their trading more efficient.

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Play Lotto 6/49—Canada's Favorite Government Lottery. Pick your own "Lucky Numbers" when you play. Record prize of \$13,890,588.80—all CASH—TAX FREE!

NOW YOU CAN WIN BIG. For years Canadians have been striking it rich in Lotto 6/49—Canada's most popular lottery.

The idea of block trading of stock-index futures was discussed this week by Leo McInnes, chairman of the Merc's executive committee, other Merc officials, and traders and executives from a number of Wall Street firms at meetings in New York, according to participants at the sessions.

Multi-million dollar prizes. Here are some examples of the fantastic jackpots being awarded by Lotto 6/49:

Table listing multi-million dollar prizes for Lotto 6/49, including names of winners and prize amounts.

And that's just for first prize...there are many \$Millions more paid out in subsidiary prizes. With five prize categories in all and thousands of prizes won in every draw, it's as if you can't miss!

Government guaranteed lottery. Lotto 6/49 is an official lottery operated by the ten Provincial Governments of Canada. It's called Lotto 6/49 because six winning numbers from a total of forty-nine are selected each draw. If the six numbers chosen match the six numbers you are playing, you win the jackpot. In addition to the six regular winning numbers chosen, there's one additional number drawn called

WIN \$MILLIONS LIKE THE COUPLE PICTURED BELOW



When Lillian and Stewart Kelly, pictured above, won Canada's record Lotto jackpot of \$13,890,588.80 there were over 1 million winners in total, with over \$70,000,000.00 in prize money awarded.

Table showing the prize breakdown for Lotto 6/49, including prize categories, number of winners, and prize values.

When Lillian and Stewart Kelly, pictured above, won Canada's record Lotto jackpot of \$13,890,588.80 there were over 1 million winners in total, with over \$70,000,000.00 in prize money awarded.

ORDER FORM section with fields for game selection, prize amounts, name, address, and payment information.

Friday's NYSE Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

Table with columns: 12 Month High Low Stock, Div. Yld PE, 200 High Low, Close, Chg. Lists various stocks and their performance.

Table with columns: 12 Month High Low Stock, Div. Yld PE, 200 High Low, Close, Chg. Continuation of stock market data.

Table with columns: 12 Month High Low Stock, Div. Yld PE, 200 High Low, Close, Chg. Continuation of stock market data.

Table with columns: 12 Month High Low Stock, Div. Yld PE, 200 High Low, Close, Chg. Continuation of stock market data.

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U.S. Futures

Via The Associated Press

Table with columns: Season High, Season Low, Open, High, Low, Close, Chg. Lists futures contracts like Wheat, Corn, Soybeans.

Table with columns: Season High, Season Low, Open, High, Low, Close, Chg. Lists futures contracts like Live Cattle, Hogs.

Table with columns: Season High, Season Low, Open, High, Low, Close, Chg. Lists futures contracts like Gold, Silver, Copper.

Table with columns: Season High, Season Low, Open, High, Low, Close, Chg. Lists futures contracts like Oil, Natural Gas.

Table with columns: Season High, Season Low, Open, High, Low, Close, Chg. Lists futures contracts like Soybean Oil, Soybean Meal.

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NYSE High-Lows

Table with columns: Stock, High, Low, Chg. Lists various stocks and their daily price ranges.

Table with columns: Stock, High, Low, Chg. Continuation of NYSE High-Lows.

Table with columns: Stock, High, Low, Chg. Continuation of NYSE High-Lows.

AMEX High-Lows

Table with columns: Stock, High, Low, Chg. Lists various stocks and their daily price ranges.

Table with columns: Stock, High, Low, Chg. Continuation of AMEX High-Lows.

Table with columns: Stock, High, Low, Chg. Continuation of AMEX High-Lows.

BP Lifts Forecast For Its Oil Output

NEW YORK — Top executives of British Petroleum Co. PLC said Friday they expected the company's oil and gas production to rise to 1.8 million barrels a day by 1990 and remain level through 1992.

Self-Imposed Cocoa Embargo Is Seen as Hurting Ivory Coast

LONDON — Ivory Coast's self-imposed embargo on cocoa sales could hurt in the long run by eroding its market share and damaging its reputation as a reliable supplier, industry sources said Friday.

Oil Prices Fall on Doubt About OPEC's Prospects

NEW YORK — Oil prices slumped by as much as 34 cents a barrel Friday amid mounting skepticism that OPEC members gathering for their semiannual conference would be able to negotiate production cuts to reduce the global oil surplus.

London Commodities

Table with columns: Commodity, Price, Chg. Lists various commodities like Sugar, Coffee, Cocoa.

London Metals

Table with columns: Metal, Price, Chg. Lists various metals like Aluminum, Copper, Zinc.

U.S. Treasuries

Table with columns: Treasury, Yield, Chg. Lists various U.S. Treasury securities.

Dividends

Table with columns: Company, Dividend, Pay Date. Lists companies and their dividend information.

Spot Commodities

Table with columns: Commodity, Price, Chg. Lists various spot commodities like Aluminum, Copper.

Macmillan Plan To Stop Takeover Denied by Judge

NEW YORK — A state judge in Delaware Friday granted Texas investor Robert M. Bass's request to halt a major restructuring by Macmillan Inc., the publishing giant.

Large advertisement for Broom, featuring the text 'Broom' and 'The Associated Press'.

BUSINESS ROUNDUP

B&C to Sell Bricom Industrial Unit

LONDON — British & Commonwealth Holdings PLC, a diversified financial services group, said today that it was selling its Bricom subsidiary to Bricom's management for about £339 million (\$653 million).

Bricom's five operating divisions reported pretax profit of £32.2 million on revenue of £55.2 million in 1987, accounting for almost a quarter of B&C's profit. Net tangible assets at year-end were £209.6 million.

Bricom's profit jumped to £130.9 million in 1987, from £51.5 million in 1986, and sales more than doubled to £291.7 million.

U.K. Banks Expected to Return to Profit

LONDON — Britain's major banks, freed from last year's huge Third World debt provisions, are expected to post substantial profits for the first half of 1988.

The banks made the provisions to comply with policy of the Bank of England, which detailed what it considered to be an appropriate level of provisioning by banks against countries with repayment difficulties.

NEC Reports a 68% Leap In Group Net Profit for Year

TOKYO — NEC Corp., one of Japan's leading electronics companies, reported Friday that group net profit for its latest financial year was 25.36 billion yen (\$203 million), up 68.7 percent from 15.03 billion yen a year earlier.

Communication equipment sales were 757.79 billion yen, up from 699.89 billion a year earlier. Computers and other electronics equipment sales were 1.13 trillion yen, up from 1.01 trillion yen a year earlier.

CONTINENTAL: Now That the Worst Is Past, a Chaotic Welding of 6 Airlines Is Nearing Profitability

Continental officials now acknowledge that they had never anticipated the difficulty of consolidating airlines with different fleets, operating philosophies and histories.

Continental's severe problems in merging its operations with those of People Express, Frontier, New York Air and the commuter airlines resulted in one of the most remarkable turnarounds in the industry.

Continental's progress has come a high price. For one thing, delays by customers, particularly dress travelers who typically fly full fare, forced the airline to replace the lost revenue through higher fares.

Given Eastern's labor problems, Texas Air management sees Continental as its best candidate to become one of the mega-carriers that are expected to dominate the industry in the years ahead.

Continental's image went from being an up-and-coming airline to the bottom of the heap in just one year, Mr. Sylvester said. That will affect them for years to come.

Continental's progress has come a high price. For one thing, delays by customers, particularly dress travelers who typically fly full fare, forced the airline to replace the lost revenue through higher fares.

Pritzkers to Sell Braniff Stake

DALLAS — Dalfon Corp., a holding company for Chicago's Pritzker family, said Friday that it had agreed in principle to sell its approximately 64 percent interest in Braniff Inc. to an investor group formed by PaineWebber Group.

Under the accord, PaineWebber would offer \$7 per share in cash and a pro rata share of 20 percent of the resulting company for each share of Braniff common stock.

et Sales To East Bloc seem Near

PARIS — European and U.S. aerospace companies are likely to approve within the next few weeks to sell new airliners to the East bloc, diplomatic sources said today.

Airbus Industrie, a European consortium, and Boeing Co. of Seattle have asked the Coordinating Committee for Multilateral Export Control to clear sales to East Germany, Poland and Romania.

Z of Zurich Halts Talks in Link With Bank Leu

ZURICH — BZ Bank Zurich G, a specialist in developing financial instruments, said Friday it was withdrawing from talks to set up a joint holding company with Bank Leu, Switzerland's fifth-largest bank.

illiac Halts Allante for '88

DETROIT — The Cadillac division of General Motors Corp. will produce the slow-selling Buick luxury car on Monday for the 1988 model year. It sells for \$6,500. Production will resume in August for the 1989 model year. About 70 workers are affected by the shutdown.

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MARKETS

Table with columns: 12 Month High/Low, Div. Yld. PE, Stock, 12 Month High/Low, Div. Yld. PE, Stock. Contains various stock market data.

INTERNATIONAL FUNDS (Quotations by Funds Listed) 10th June 1988

Large table listing various international funds with columns for fund names, share prices, and performance metrics.

Table with columns: 12 Month High/Low, Div. Yld. PE, Stock, 12 Month High/Low, Div. Yld. PE, Stock. Continuation of stock market data.

Table with columns: 12 Month High/Low, Div. Yld. PE, Stock, 12 Month High/Low, Div. Yld. PE, Stock. Continuation of stock market data.

Table titled 'Floating-Rate Notes' with columns for currency (Dollars, Pounds Sterling, Deutsche Marks, Japanese Yen, E.C.U.), issuer, and note details.

Advertisement for 'MTC' (MTC Investment) with large stylized text and contact information.

Be sure that your fund is listed in this space daily. Telex: Matthew GREEN at 613595F for further information.

Handwritten signature: J. K. ...

CURRENCY MARKETS

Dollar Firms in Narrow N.Y. Trading

Compiled by Our Staff From Dispatches NEW YORK — The dollar end-firm Friday in New York after trading in a narrow range as dealers waited U.S. trade figures to be reported next week.

The U.S. currency had weakened earlier in Europe. The markets are unaffected by statistics showing that U.S. wholesale prices grew a moderate pace in May.

The dollar closed at 1.7205 Deutsche marks, up from 1.7143 at Sunday's close. It rose to 1.7285 francs from 1.7245, and to 1.4305 from 1.4285 Swiss francs from 1.4285.

The dollar also gained against the British pound, which closed at 81.75, against \$1.8215 on Thursday.

Trading in Europe also was fairly uneventful.

The 0.5 percent rise in U.S. producer prices for May was in line with expectations, dealers in Europe said, leaving the market free to devote its undivided attention to U.S. trade figures for April to be issued Tuesday.

"All is in the hands of the figure in a basket dealer's hand. The main forecast is for a seasonally adjusted deficit of \$13 billion to \$14 billion, compared with a revised \$11.95 billion deficit in March.

The dollar closed in London at 1.95 DM, down from 1.7227 DM Thursday's close, and at 124.90, a down from 125.25.

The pound ended firmer at 81.75, against \$1.8137 Thursday, at 3.1253 DM, compared with 3.1213.

On its trade-weighted index a basket of currencies, the yen rose to 76.8 from 76.7.

Several European operators said the dollar was set to edge higher, whatever the U.S. trade figures turned out to be.

They noted that the dollar had

London Dollar Rates

Table with columns: Currency, Par, and Rate. Includes Deutsche mark, French franc, Swiss franc, and British pound.

pared most of the losses it had incurred overnight after various comments by U.S. and West German officials seemed to put a cap on any upward movement in the U.S. currency for the time being.

Karl Otto Pöhl, the president of the Bundesbank, said twice this week that West Germany had no interest in a weaker mark. The U.S. secretary of commerce, William C. Verity, said the United States must never again allow its currency to become overvalued.

"I think the dollar is building up strength, regardless of comments by Bundesbank and U.S. officials," said Anthony Mathers of Westpac

Experts See Fed Holding Steady on Policy

NEW YORK — The Federal Reserve is maintaining a steady course on monetary policy and an anticipated rise in the federal funds rate over the next several days should not be viewed as a further tightening of monetary policy, economists say.

Adjusted borrowings by banks from the Fed averaged a fairly low \$395 million a day in the latest statement week, which ended Wednesday. As a result, the U.S. central bank is expected to encourage more borrowings in the second half of the maintenance period in order to meet its presumed targets.

"The Fed will have to generate borrowing," said Anthony Karydas of Mitsubishi Bank. "Funds will be rather tight."

The \$395 million in borrowings may be a bit lower than the Fed

Italy Expects No Devaluation

MILAN — The prime minister, Ciriaco De Mita, and the finance minister, Giuliano Amato, said in published reports Friday that a devaluation of the lira within the European Monetary System would not be necessary to trim Italy's huge balance of payments deficit.

In interviews with the daily newspaper, La Repubblica, both officials said the government was considering fiscal measures to prevent the economy from overheating.

If May data confirm the trend of "worsome" April figures, Mr. Amato said, it will be necessary to cool internal demand, probably through indirect taxes. "Devaluation is not part of our program," Mr. De Mita said.

Deslers noted that the pound had repeatedly tried and failed to breach resistance at 3.1250 DM during the day in Europe, reflecting the market's current indecisiveness about the currency. Some said they thought the recent rise in British base rates gave the pound the possibility of edging back up toward recent highs.

Banking Corp. "Investors are looking at the dollar."

But others pointed to various economists' forecasts that expect the dollar to test historic lows before the year-end.

"I am getting bored with this dollar rally, which is getting nowhere," said a dealer at a British bank. "I think downward pressure is already building up."

Concern over central bank dollar sales weighed on the dollar, dealers said. On Friday, the Bundesbank sold \$3.4 million at the Frankfurt office, after having sold \$4.8 million on Thursday.

and Thursday, as the central bank aims for what most economists think is a borrowing target of \$430 million to \$550 million. In addition, settlement on Wednesday happens to be a corporate tax date, when funds typically rise anyway.

"Borrowings will probably reach \$600 million a day in the second week," said John Williams of Bankers Trust. "That would be consistent with a Fed funds rate of 7.375 percent. The Fed seems happy with a range of 7.125 to 7.5 percent."

For the time being, economists see little chance that the Fed will tighten policy again. The bond market's inflation fears are dwindling, the dollar is not under substantial downward pressure and there are few signs that the economy surged in May in a way that would merit speedy restraint.

Free Movement of Capital Facing New Snag at EC Meeting

BRUSSELS — Plans to free capital movements in the European Community, seemingly all but approved at a meeting of EC finance ministers last month, face new obstacles when the ministers meet again on Monday.

Failure would be a serious blow to West Germany, which has thrown its weight behind the proposals.

The free movement of money in the 12-nation bloc is seen as a key element of the EC's plans to create a true internal market by 1992. A ministerial agreement was to be West Germany's major contribution to the plans during its six-month presidency, which ends this month.

Removing exchange controls would allow customers to open bank accounts in any EC country and pave the way for another proposal that would allow banks to operate in any member state on a single license. However, diplomats said that since the meeting last month in

West Germany, France had hardened its position on the risk of tax evasion.

Although the problem has always been recognized and ministers had agreed that the matter had to be dealt with in due course, the French now are demanding a firm commitment that taxes on interest income be equalized within the EC before the proposals on freeing capital movement are fully implemented.

Some diplomats said the French might be accommodated by a separate joint declaration on the issue, but others questioned whether the other member states would give in to the new French government's hardened position.

The new French demand is likely to find support from Denmark, which has been demanding that banks in other EC countries disclose interest income to the tax authorities of their client's country of residence.

Currently, Denmark's only exchange control is the condition that residents wishing to put

money into a foreign bank account have to provide a guarantee from the bank that it will declare interest income paid to the Danish tax authorities.

West Germany, Britain and the Netherlands have scrapped all exchange controls, while Belgium and Luxembourg pledged to abolish their two-tier exchange market no later than 1992.

The four poorest member states — Portugal, Greece, Spain and Ireland — will be allowed an extended transition period yet to be fixed.

France is pressing for a period of two years within which it and Italy have to fully implement the proposals, notably because it wants to allow for enough time for reaching an accord on the tax equalization.

Some fresh controversy has arisen from the so-called safeguard clause, which would allow a member state to reintroduce exchange controls for six months.

SUMMIT: Harmony Is Expected at Economic Talks

(Continued from first finance page) continued. "And those are the free market economic policies espoused by Ronald Reagan at his first summit."

A White House official added: "I don't think anybody is expecting breakthroughs. It will be a love fest."

At economic summit conferences, countries sometimes cannot live up to their promises because the chiefs of state cannot always persuade their legislatures and bureaucracies to follow through. At the upcoming Toronto conference, the participants say they do not even plan to try to make promises that could lead to such difficulties.

They are setting aside for now their two-year-old argument over the subsidies they all give their agricultural industries.

All have agreed that the resulting growth in exports has produced a major conflict because of worldwide overproduction, budgetary problems for countries that subsidize farming and strains on developing countries that rely on agriculture to keep their own economies growing and would be able to compete if Western subsidies were eliminated.

The Reagan administration and European governments acknowledge the problem but disagree on how to solve it.

At the Venice summit conference a year ago, Mr. Reagan proposed eliminating all the subsidies by the turn of the century, but Europeans oppose such a deadline. Rather than try to work things out in Toronto, the countries have decided merely to urge that it be tackled at a conference of all trading nations in Montreal in December.

"This is one of the foremost economic problems facing the world, so we will deal with it," a senior U.S. official said. He added that the Reagan administration's objective in Toronto was not progress but rather that "there be no any backsliding" from commitments to deal with the issue in Montreal.

A French economic policy official said, "We will resist the Americans. We don't want to tackle the subsidies. We feel it is a global issue to be taken up in Montreal." A Canadian official who is involved in the planning for the meeting added, "The gap on agriculture has not narrowed." Some decisions are likely in two

Japan Exports Expected to Rise in Dollar Terms

APRIL 6 - FRANKFURT

TOKYO — Japan's exports are expected to increase by 10 percent in dollar terms in the current fiscal year compared with the year ended March 31, a major financial institution predicted Friday.

One of the factors expected to push up dollar-term exports in 1988-89 is a rise in the export prices quoted in dollars by Japanese traders, Mitsubishi Trust & Banking Corp. said in a report.

Japanese traders have raised dollar-denominated export prices to compensate for lower earnings from yen-quoted exports following the yen's steep appreciation against the U.S. currency, the Mitsubishi report said.

Statistics released by Japan's Finance Ministry show that the nation's exports in fiscal rose 10.6 percent in 1987-88 to \$23.9 billion.

Friday's OTC Prices. NASDAQ prices as of 4 p.m., New York time. This list, compiled by the AP, consists of the 1,000 most traded of dollar values. It is updated twice a year. Via The Associated Press.

Table of OTC prices for various stocks including ABB, ADI, AET, etc.

Table with columns: 12 Month High, Low, Stock, Div. Yld., Sales in Mil., High, Low, 4 P.M. CHG.

Table of stock prices for various companies including ABB, ADI, AET, etc.

Table with columns: 12 Month High, Low, Stock, Div. Yld., Sales in Mil., High, Low, 4 P.M. CHG.

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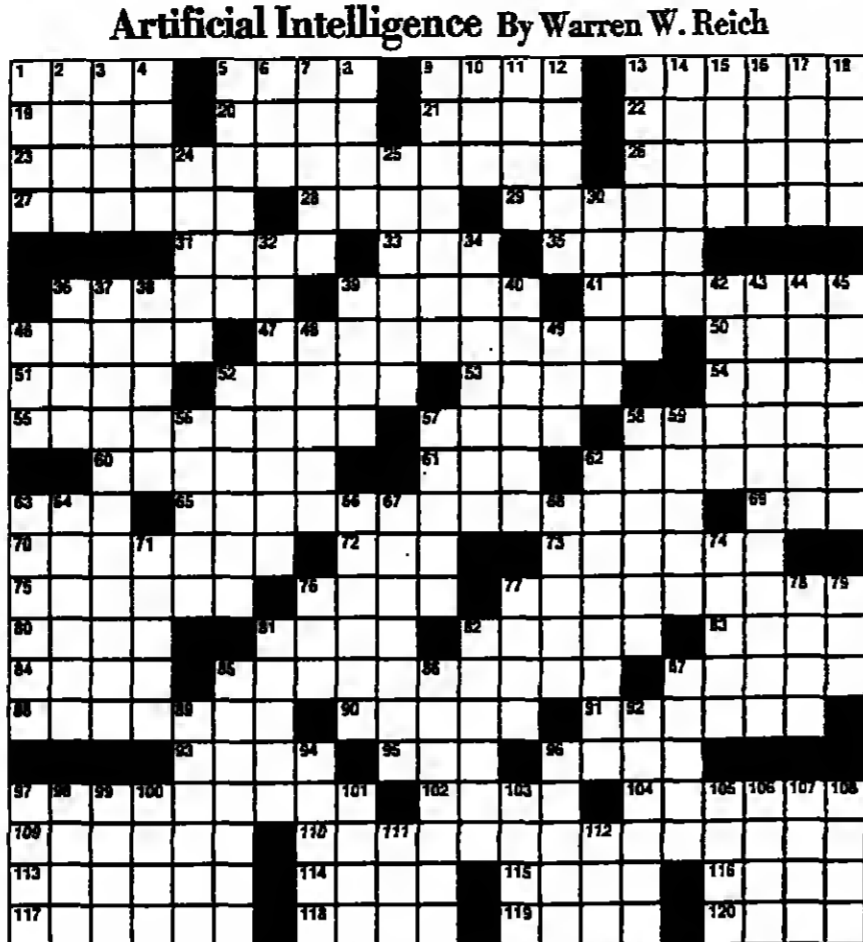
Table with columns: 12 Month High, Low, Stock, Div. Yld., Sales in Mil., High, Low, 4 P.M. CHG.

Table of stock prices for various companies including ABB, ADI, AET, etc.

Notes: Figures are unaudited. Yearly highs and lows reflect the previous 52 weeks plus the current week but not the latest trading day. Where a split or stock dividend is indicated, the split or dividend is shown for the new stock only. Unless otherwise noted, rates of dividends are annual dividends based on the latest declaration. Dividend also annual. C - Cumulative dividend. CD - Cash. D - Dividend. F - Dividend. G - Dividend. H - Dividend. I - Dividend. J - Dividend. K - Dividend. L - Dividend. M - Dividend. N - Dividend. O - Dividend. P - Dividend. Q - Dividend. R - Dividend. S - Dividend. T - Dividend. U - Dividend. V - Dividend. W - Dividend. X - Dividend. Y - Dividend. Z - Dividend.

ACROSS 1 Twerp 5 Mother of Poltux 9 Ponselle or Luxenburg 13 O. Henry's "The—of Red Chief" 19 Domingo specialty 20 Use a goose 21 Livy's way 22 Beethoven's Third 23 Sensitive? 26 Creeds 27 Vex 28 Potsdam pot 29 Brainy comber? 31 Falls behind 33 Fish with boiling bait 35 Betel 36 Willoway 39 City near Montpellier 41 Changes actors 46 Some are proper 47 Clever bevel? 50 Honolulu movie sleuth

ACROSS 51 Inter— 52 Shell, to Pierre 53 Freezes 54 Fabulous racer 55 Seemingly inviting 57 He sounds like a bomb, kind of 58 Become known 60 Atchison is here 61 Spaceship adjunct 62 Thrive 63 Prefix with play or band 64 1964 film 65 Polished gem? 66 Pres. of dollars 67 Comestibles 72 "Bei—Bist Du Schoen" 73 Forked pole 75 Flowed forth 76 Ankle cover 77 Falstaff's favorite 78 Ems output 81 Use a distaff 82 Cotton pods 83 Luigi's yesterday 84 "o'clock scholar" 120 Auspice



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DOWN 1 Use a tocsin 2 Dies 3 Acarologist's subject 4 No longer due 5 Hereditary 6 NOW members' aim 7 Birdbrains 8 Peri of A.D. 9 Kind of rifle or carriage 10 Way to play notes in N.Y. 11 Gets the point 12 Tapestry type 13 Ring noncombatant 14 Hussein's language 15 Monte Carlo roulette bet 16 In— (originally position) 17 Renowned newspaper publisher 18 Alda TV vehicle 24 Bulging jars 25 Make current 26 Little women, Pleistocene Epoch 27 Like some locks 28 Cobbler's concern 29 Fast money? 38 Tenn.—Mountains 39 Neighbor of Yugo. 40 Inuacac 42 Years 43 Piercing peccorino? 44 Tell's apple, e.g. 45 Looks the villain 46 Catch a culprit 48 "Or—thou guide Arcturus . . ." Job 38:32 49 Lapidary's interest 52 Evacuated 54 Pere's frere

DOWN 57 All ears 58 Court failures 59 Sheds 60 Stupely 62 Wattle 64 Perform in a think tank 66 Cricket official 67 Mirthfully 68 Place for an elevate 71 Mont— (highest of the Alps) 74 Aviary sound 76 Bad Em is 77 Timothy Dalton role 78 W Rumanian city 79 Cease functioning 81 Bemirch 82 British hood 85 Deli devices 86 Race horses yet to win 87 Author Sinclair 89 Incarnation 92 Instigate 94 Shunned one 96 Famed Civil War photographer 97 Dwindle 98 Nine days 99 Product of a schism 100 Old Italian noble family 101 Anaxitros 103 Galway Bay islands 105 Money changer's fee 106 Elbow's need, at times 107 —qua non 108 Pizzazz 111 Tuck's partner 112 It's for poets

RIDING THE IRON ROOSTER:

By Train Through China

Reviewed by Charles Monaghan

EARLY in Paul Theroux's new book on traveling around China by train, the author is at a dinner party in Beijing. One of the Chinese guests tells Theroux that the most quoted proverb in China these days is "You can fool any foreigner."

The reader can almost feel Theroux's hackles rise. "I think that's a very dangerous proverb," he replies. "Why?" asks the hostess. "Because it's not true," says Theroux, his handsome jaw undoubtedly set with steady determination.

After all, Paul Theroux is the United States' best-known professional traveler, a man who has traversed the world's rails in all directions and spent a good part of his life living in Africa, Singapore and Britain. He is an indefatigable voyager and has written about the big world out there in half-a-dozen non-fiction books and more than a dozen novels.

BOOKS

What's more to the point, Theroux has developed a particular narrative persona in his travel books—that of an irascible truth-teller who does not take kindly to any suggestion that wool can be pulled over his eyes. This narrator is very American, a combative small-d democrat who cannot abide totalitarianism, bureaucrats or people who are mean to animals. At the same time, he is an admirer of nature's physical beauty and can be deeply moved, for example, by the optimistic determination of many hard-working Chinese to better their lot by attending night school.

The train journeys described in the book (The Iron Rooster of the title is the name of a train) are part of a year's stay in China by Theroux from spring 1986 through spring 1987. He had been in China in the winter of 1980, but immense changes had occurred since that journey. Under Deng Xiaoping, China had introduced a quasi-free-market economic system and was moving to uphold the legacy of Mao Zedong and the Cultural Revolution.

Indeed, in a wonderfully poignant chapter underlining the disappearance of Mao as an important figure in China, Theroux visits Mao's birthplace in Shaoshan in Hunan Province. It is a village that used to draw 3 million visitors a year, an average of 8,000 a day. "The sun rises in Shaoshan" was a major slogan of the Cultural Revolution. But Theroux arrives in an empty train to an empty village: "It was the town that time forgot, ghostly and echoing. . . . In any other place, an atmosphere of such emptiness would seem depressing; but this was a healthy neglect—what is healthier than refusing to worship a politician?"

Normally, of course, every train that Theroux rode was packed to the gunwales. "The journey itself was a great sluttish pleasure for everyone—a big middle-aged peajama party. . . . The Chinese, who had no choice but to live the dullest lives imaginable—doing the same monotonous Chinese two-step from the cradle to the grave—were never happier than when on a railway journey. They liked the crowded compartments and all the chattering, they liked smoking and slurping tea and playing cards and shuffling around in their slippers."

I myself traveled through China in May and so responded to Theroux's vivid description of the sight of fields from a train window: "Because China is so intensely agricultural, spring is splendid all over the country. It's impossible to see crops being planted, and weeded, and harvested, and not feel optimistic."

A great part of China's prosperity in recent years has come from increased agricultural production, and as a result the peasants are the staunchest supporters of Deng Xiaoping's economic changes. But the country may be buying itself future trouble. When I saw women bending over in green fields of wheat in Henan Province, I asked our guide if they were weeding. No, she said, they were laying down seed for the next wheat crop—before the current one was out of the ground! Three wheat crops a year are being taken from the soil in Henan Province, and there are already murmurs among the Chinese that a potential dust bowl is being created.

Theroux the traveler is serious in his energy and in his boundless determination to see what he wants to see. As readers, the lustre is there for us to see in the pages of this compelling and readable book.

Charles Monaghan writes about travel, food and books. He wrote this for The Washington Post.

Artificial Intelligence By Warren W. Reich

Shaoan in Hunan Province. It is a village that used to draw 3 million visitors a year, an average of 8,000 a day. "The sun rises in Shaoshan" was a major slogan of the Cultural Revolution. But Theroux arrives in an empty train to an empty village: "It was the town that time forgot, ghostly and echoing. . . . In any other place, an atmosphere of such emptiness would seem depressing; but this was a healthy neglect—what is healthier than refusing to worship a politician?"

Normally, of course, every train that Theroux rode was packed to the gunwales. "The journey itself was a great sluttish pleasure for everyone—a big middle-aged peajama party. . . . The Chinese, who had no choice but to live the dullest lives imaginable—doing the same monotonous Chinese two-step from the cradle to the grave—were never happier than when on a railway journey. They liked the crowded compartments and all the chattering, they liked smoking and slurping tea and playing cards and shuffling around in their slippers."

I myself traveled through China in May and so responded to Theroux's vivid description of the sight of fields from a train window: "Because China is so intensely agricultural, spring is splendid all over the country. It's impossible to see crops being planted, and weeded, and harvested, and not feel optimistic."

A great part of China's prosperity in recent years has come from increased agricultural production, and as a result the peasants are the staunchest supporters of Deng Xiaoping's economic changes. But the country may be buying itself future trouble. When I saw women bending over in green fields of wheat in Henan Province, I asked our guide if they were weeding. No, she said, they were laying down seed for the next wheat crop—before the current one was out of the ground! Three wheat crops a year are being taken from the soil in Henan Province, and there are already murmurs among the Chinese that a potential dust bowl is being created.

Theroux the traveler is serious in his energy and in his boundless determination to see what he wants to see. As readers, the lustre is there for us to see in the pages of this compelling and readable book.

Charles Monaghan writes about travel, food and books. He wrote this for The Washington Post.

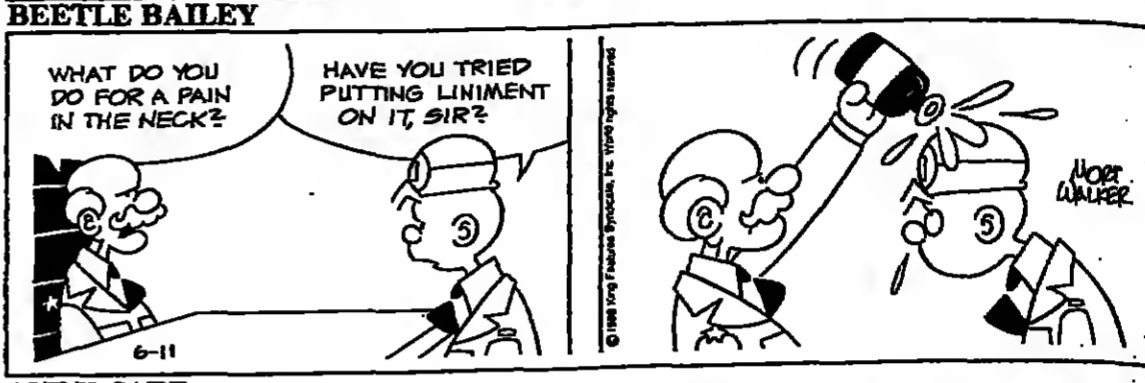
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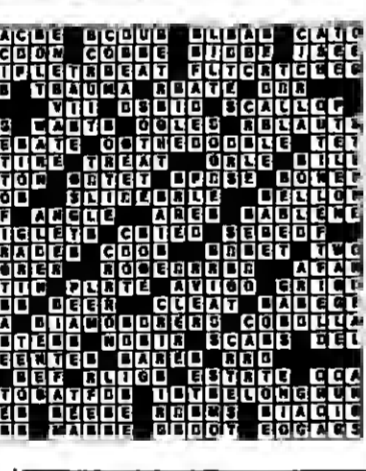
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Solution to Last Week's Puzzle



WEATHER

Table with weather forecasts for Europe, Asia, Africa, Latin America, North America, Middle East, and Oceania. Columns include location, high, and low temperatures.

World Stock Markets table showing closing prices in local currencies for various regions including Amsterdam, London, Madrid, Milan, Paris, Frankfurt, Stockholm, Singapore, Sao Paulo, Mexico, Tokyo, Manila, Hong Kong, and Sydney.

Stock market tables for Toronto, Zurich, and New York. Includes columns for stock names, prices, and volume.

Large vertical advertisement on the right side of the page, partially cut off, with text including 'Germany, In First Match' and 'For Agi'.

POSTCARD

Gentrifying Key West

By Jon Nordheimer

KEY WEST, Florida — Just about everything in Key West is booming these days...

They have been all but taken over by tourists, summer and winter. Every time I come back to Key West there are fewer familiar faces...

news as an offbeat alternative to tourist Florida resorts. Pritam Singh wants to restore some of the old magic...

By 1986, when he made his next visit, he was a turbaned convert to Sikhism, had a new name and had become a multimillionaire...

But Singh has also set aside land to build 174 units for middle-income residents. "Why is Key West a real nice place to live?" he says...

Singh's creating of gold-plated property has put new pressures on Bahama Village, a black neighborhood along its edge...

Britain's New TV Watchdog

By Howell Raines

LONDON — For most of his career, Sir William Rees-Mogg has been depicted as a bona fide member of that band of selfless Tory gentlemen who guide Britain's main institutions.

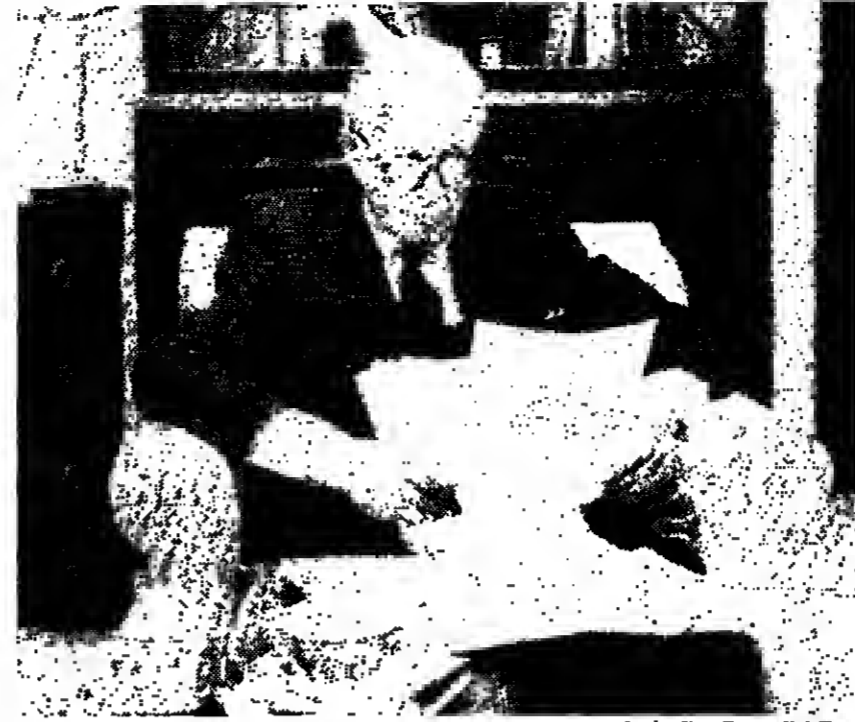
It took Prime Minister Margaret Thatcher and her campaign to clean up television to give him a new image as a threat to freedom. The transformation was "absolutely, inevitably" bound to happen...

Later, the council will branch out into drafting guidelines for depiction of sex and violence in both British-made and imported programs.

"It seems to me a job which is calculated to make me unpopular and calculated also to have the press sort of dress me up as a far more extreme figure than I am," said Sir William...

In his new \$54,000-a-year job, he has already been denounced as an advocate of creeping censorship by Lord Bonham-Carter, another former BBC deputy chairman.

Until now, most British viewers have been able to get only the two non-commercial BBC channels and two commercial channels controlled by the Independent Broadcasting Authority...



Sir William Rees-Mogg: Standards are a necessary preliminary to "free television."

will not work when other outlets begin. The Broadcasting Standards Council's new guidelines are a "necessary preliminary to free television," he contends.

Predictably, his argument that new guidelines and previewing of programs will bring "freer television" is dismissed as double-talk by his critics.

He has intensified the concern, asserting that he would ask the government for direct enforcement powers if the BBC and the Independent Broadcasting Authority ignore the council's recommendations.

the ultimate regulatory capacity of government, of Parliament, and they will be defeated rather than us," he said.

White denying any desire to chill freedom of expression and reach into public affairs programming, Sir William makes it clear that he will be a hard-liner on violence in imported shows like "The A-Team" and "Miami Vice."

Like Thatcher, Sir William dismisses BBC studies asserting there is no link between television violence and crime. "It's certainly true in Britain, probably in Europe generally, that we don't want the sort of violence that we're conscious of in the American big cities to spread here."

PEOPLE

Golding Is Knighted

Queen Elizabeth II marked her official birthday on the Nobel Prize-winning novelist William Golding...

White denying any desire to chill freedom of expression and reach into public affairs programming, Sir William makes it clear that he will be a hard-liner on violence in imported shows like "The A-Team" and "Miami Vice."

Twenty-three members of the Maly Theater of Leningrad arrived in New York from Toronto, frustrated at the cancellation of the production they expected to give at the First New York International Festival of the Arts...

The New York City Opera's artistic director, Sergiu Celibidache, has been appointed music director of the Helsinki Philharmonic...

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